

STATE OF MAINE  
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2001-762

November 20, 2001

Bar Harbor Water Company  
Application for Approval of  
Issues of Securities (§902) (\$3,825,000)

ORDER APPROVING  
ISSUES OF  
SECURITIES

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

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On October 30, 2001, the Town of Bar Harbor, on behalf of the Bar Harbor Water Company (the Company)<sup>1</sup> filed with the Commission its application for authority to issue its bonds in a sum not to exceed \$3,825,000 through Moors and Cabot in Boston, MA, at an annual rate not to exceed 5 percent. The debt will be paid over a term not to exceed 20 years. In this Order, we approve the Company's application.

The Company requires these funds for the following:

1. Repayment of \$2,400,000 of an outstanding bond anticipation note dated August 3, 2001 and payable on February 15, 2002. The Town used this amount to finance its stock acquisition.
2. Refinancing of the Bar Harbor Water Company's existing capital debt following dissolution in the amount of \$460,000.
3. Financing the cost of the Mountain Avenue water main project in the amount of \$104,000.
4. Financing the cost of a lead joint abatement project for a portion of the Company's water main system with an approximate cost of \$175,000.
5. Cost of acquisition obligations that will be capitalized in the amount of \$426,000.
6. Transaction costs related to the acquisition in the amount of \$260,000.

Having reviewed the application of the Company, together with data filed in support of it, it is the opinion of the Commission that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

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<sup>1</sup> By order issued In Docket No. 2001-528 on August 28, 2001, we approved the reorganization of the Bar Harbor Water Company under which the Town of Bar Harbor would purchase all the outstanding stock and operate the Company. Per discussions with the Town, the majority of the stock has been purchased.

Accordingly, we

**O R D E R**

1. That the Town of Bar Harbor is hereby authorized to sell its bonds in a sum not to exceed \$3,825,000 to be used solely for the purposes described in this Order for the Bar Harbor Water Company, and at a rate not to exceed 5 percent per year through Moors & Cabot for a term not to exceed 20 years.
2. That the Company report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the sale of the proposed bonds, or by January 31, 2002, whichever may come first.
3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 20<sup>th</sup> day of November, 2001.

**BY ORDER OF THE COMMISSION**

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Dennis L. Keschl  
Administrative Director

COMMISSIONERS VOTING FOR:    Welch  
   Nugent  
   Diamond

## NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Appellate Procedure.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.